

## VI. ENCUMBRANCE ACCOUNTING

The State is required to ensure no agreement or contract shall be entered into, nor expense incurred by any agency which will result in an obligation in excess of the appropriation made to the agency.

**(29 Del. C. §6519)** An encumbrance accounting system is established in the State to provide information on the actual extent of the State's obligations (encumbrances) and to guard against overcommitting available funds. All General and Special Funds under control of the State Treasurer are subject to this encumbrance accounting system. Funds may be obligated only if they are available and all obligations of each agency will be reviewed and recorded by the Secretary of Finance. This is done through the issuance of purchase orders and the recording of direct claims.

### A. PROHIBITED EXPENDITURES

No General Funds shall be expended for purposes such as gratuities, greeting cards, flowers and tickets to athletic events when unrelated to an agency's function. No funds shall be expended for parking tickets and other traffic violations. The Secretary of Finance shall refuse to approve any such expenditures. **(29 Del. C. §6505 (c))**

The only exceptions to the above are for employee recognition programs.

### B. PURCHASE ORDERS - ENCUMBRANCES

#### 1. General Information

##### a. Use of Purchase Orders

##### (1) Uses

No agency shall incur any financial obligation nor shall any such obligation incurred be considered an obligation of the State except on properly executed and approved purchase order forms, except as set forth in this Manual. **(29 Del. C. §6512)** The financial obligations of each department must be recorded by the Secretary of Finance, Division of Accounting when they are incurred. **(29 Del. C. §6513 (f))**

##### (2) Direct Claims

Claims for petty cash, salaries and payrolls, debt service, state (employer's) share of social security payments, pensions, health insurance, workmen's compensation, travel and personal reimbursement, grants-in-aid, revenue refunds and certain other purchases will be made as direct claims without the use of purchase orders.

(3) Federal Fund Purchases

Adding federal funds to the list of items that can be processed by direct claim was done to allow the accounting system to operate within the framework of several other important accounting requirements.

Agencies now have the option of using purchase orders to encumber available federal funds as they have been doing in the past or when federal funds are not available following these procedures:

If the agency chooses to use a purchase order (or must use one to satisfy General Fund requirements) and it is over \$2,500, it must be completed as shown in Exhibit VI-1 on the following page, and be sent to the Division of Accounting. Please note that you are required to state on the purchase order the amount of the purchase that is contingent upon receipt of federal funds. All federal funds must be referenced to the State Application Identifier (SAI). The coding block should be filled out for General Fund actual and federal funds based upon estimated receipts.

The above procedure allows agencies to issue purchase orders for the full amount of the transaction and encumber all of the federal funds, depending on their availability. It should alleviate many of the problems associated with not being able to issue purchase orders and encumber funds until the cash was in hand, and should substantially reduce the recoding of expenses and the transfer of funds. However, agencies receiving sub-grants cannot encumber funds without the cash being received.

This does not change the requirement that in order to process and pay a payment voucher the cash must be available.

(4) FC Document

DFMS provides the capability of recording non-accounting charges against a grant. This is accomplished by completing a Federal Aid Charge Document (FC). Examples of non-accounting charges include an allocated charge for computer usage, grant matching funds or a per mile charge for the use of a vehicle.

b. Anti-Discrimination References

Compliance with the State's equal opportunity laws shall be a condition on the awarding of any contract involving the expenditure of state funds. **(29 Del. C. §6920)**

EXHIBIT VI-1

STATE OF DELAWARE - PURCHASE ORDER

						PO DATE	ACCT PR	ACT	TYP	COMMENTS	VENDOR/E/SSN NO.	I/V	SELLER			PO TOTAL
BATCH #	TRANS CODE	PO	DEPT.		ORDR NO.	177101				1						
CONDITIONS AND INSTRUCTIONS TO VENDOR											AUTHORIZED AGENCY SIGNATURES					
1. All prices F.O.B. destination unless otherwise indicated.											Signed _____					
2. This order and the performance thereof shall be construed and governed in accordance with the laws of the State of Delaware.											Date _____					
3. Separate invoices must be submitted for each order. Submit invoice in triplicate.											Signed _____					
4. Any price changes must be agreed to by the Ordering Agency prior to submitting invoice.											Date _____					
5. Purchase order not valid unless signed by Secretary of Department of Finance or his designee or under \$1000.00 or marked emergency.																
6. Department Federal Excise Tax No. A-287364																
APPROVED FOR AVAILABLE FUNDS      Signed _____																
Secretary of Department of Finance or Designee																
ORDERING AGENCY			VENDOR			SHIP TO										
			A. B. C. Company													
LINE NO. N	FY	FUND	DEPT.	ORGN.	APPR.	OBJ.	SUB. OBJ.	PROG.	JOB PROJECT	REPT. CAT.	DESCRIPTION	AMOUNT	I/D			
	XX	XXX	XX	XXXXXX	0170	XX	XXXX				Instructional Equipment	600.00				
	XX	XXX	XX	XXXXXX	7002	XX	XXXX			XXXX	Instructional Equipment	600.00				
Note: Appropriate when cash has not been received but grant has been approved and established with <u>estimated</u> receipts. Sub-Grantees must have cash on hand - estimated receipts are not appropriate.																
ITEM	DESCRIPTION										QUANTITY	UNIT PRICE	AMOUNT			
1	Instructional Equipment (Office chairs)										0	100	800.00			
2	Instructional Equipment (Office tables)										2	200	400.00			
General Funds approved for available funds in the amount of purchase order contingent upon availability of federal funds (Clearinghouse No. XXXXXXXXXX)																
G.F.      600.00 F.F.      600.00 1,200.00																
DATE OF BID			CONTRACT NO.			SHIP VIA			DELIVERY DATE		TERMS		TOTAL			

c. Prohibition on Exceeding Appropriation

The correct amounts must be charged at the time of the issuance of a purchase order or direct claim payment. As stated above, no agreement or contract shall be entered into, nor expense incurred by any agency which will result in an obligation in excess of the appropriation made to the agency. **(29 Del. C. §6519)** It is the agency's responsibility to see that funds are in the proper accounts before obligating or expending funds. If the funds are not in the proper account, the transaction must not be processed or submitted to the Division of Accounting.

d. Agreements to Coincide with Fiscal Year

(1) Standard

Where possible, agreements and contracts should coincide with the State's fiscal year, July 1st in each calendar year through June 30th of the succeeding calendar year. **(29 Del. C. §6507)**

(2) Funding Out Clause

If the agreements and contracts do not coincide with the fiscal year, they must contain a "funding out" clause. An example of acceptable language for this clause follows:

"If sufficient funds are not appropriated by the Delaware General Assembly or other appropriate federal or state agency to sustain in whole or in part, the Department of \_\_\_\_\_'s performance under this agreement, or if such appropriation is reduced such that its amount is insufficient to sustain said performance, this agreement shall be null and void at the insistence of the Department of \_\_\_\_\_."

e. "After-the-Fact" Purchase Orders

"After-the-fact" purchase orders will not be accepted. This applies to such purchase orders being presented simultaneously with payment vouchers, and/or transfers, and cash receipts. It is each agency's responsibility to process their documents in a timely manner, in proper sequence and in accordance with established procedures. Documents not so submitted will be returned unprocessed.

f. Waiver of Procedures

Ordinarily the Secretary of Finance will not process documents where either the documents themselves or the transactions they reflect are not in accordance with law, the accounting manual or Division of Accounting memoranda. Under extraordinary circumstances, when in the best interest of the State, the Secretary of Finance may waive compliance and process the documents. In such circumstances the head of the agency (cabinet secretary or equivalent) must first request approval of the Budget Director and the Secretary of Finance for waiver of the procedures to which the agency failed to adhere. In doing so the agency head should set forth:

- the causes of failure to adhere to accounting procedures; and,
- a showing that the best interests of the State will be served by waiving those procedures.

A purchase order document is not to be submitted in any "after-the-fact" instance where a payment voucher is being processed to initiate vendor payment. An "after the fact" purchase order will be submitted only when the encumbrance is being recorded: 1) after the obligation has been incurred; and 2) before payment is due.

In the event that the request is approved, a copy of the request and approval will be forwarded by the Secretary of Finance to the Auditor of Accounts and the Attorney General. In the event that the request is not approved, the Secretary of Finance, through the Division of Accounting, shall report to the General Assembly, the Attorney General and the Budget Director. **(29 Del. C. §8304 (4))** A report shall also be made to the Auditor of Accounts.

g. Vendor Identification Number

All purchase orders must include the vendor identification number of the specific vendor. A list of the current vendor identification numbers is maintained by the Division of Accounting and may be through DFMS (Table VNAM). For a complete definition of the VNAM, see Appendix G.

If the vendor has not previously done business with the State or changes to the vendor data are needed, it is the responsibility of the agency to obtain the vendor identification number (either federal employer identification number or social security number) prior to issuing the purchase order. The identification number along with the correct vendor name, address and telephone number is to be supplied to the Division of Accounting via the SVEN table in DFMS which updates the vendor file. See Appendix E for maintenance to the SVEN file and other vendor related items.

## **2. Approvals**

a. Standard

An agency may create an indebtedness or incur an obligation only by written or printed requisition or purchase order prescribed by the Budget Director, unless exempted by this Manual, and bearing the signed approval :

- In the case of an agency which is headed by a single official or employee, by that official or employee, or by 2 other responsible employees designated for this purpose by the head official or employee and approved by the Secretary of Finance; and
- In the case of an agency headed by a board or commission, by the president, chairman or head officer and the secretary of the board or commission. **(29 Del. C. §6512 (a))**
- The signature of the agency head may be affixed by use of a facsimile stamp. Such facsimile signature must be accompanied by one live signature of another responsible employee designated/authorized for approval purposes <sup>1</sup>for documents that exceed \$2,500. If \$2,500 or less, only one live signature is required. **(29 Del. C. §6519)**

In the event of sickness or absence from the State of any officer whose approval is required for a requisition or purchase order, he may designate some other person provided he certifies the name of the person and the reasons for the designation to the Secretary of Finance. Such delegated authority will cease when the officer is able to resume his duties. **(29 Del. C. §6512(b))**

A board or commission may, by majority vote, delegate the authority to approve requisitions and purchase orders to a chief full-time administrative employee of the board or commission and to one or more other employees. Each requisition and purchase order shall be signed, in person, by at least 2 employees including the chief administrative employee. The names of the designated employees shall be on file with the Secretary of Finance. **(29 Del. C. §6512(b))**

After the requisition or purchase order is approved it is processed according to dollar value:

- (1) if \$2,500 or less, it will be input into DFMS to be processed on-line by the agency. The use of "M-Batch" document batches will no longer be necessary. PO's of \$2,500 or less may be entered in batch format or may be entered as single, unbatched documents.
- (2) if exceeding \$2,500, it will be input into DFMS as a standard batch document, with the original and first copy then being routed:
  - (a.) for additional approvals as covered in b. Additional Approvals below.
  - (b.) to the Secretary of Finance, Division of Accounting, **(29 Del. C. §6512 (e))** who will determine within his/her limits of authority if:
    - The request is authorized by law.;
    - The request is properly coded;
    - Procedures set forth in the State Accounting Manual and the Delaware Code have been followed;
    - Funds are available to the department; and
    - Authorized electronic approvals have been entered.

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<sup>1</sup> Added for clarification and to include the code reference. 12/16/1999

If all these conditions are met, and the required additional approvals are obtained (see below), the necessary funds will be encumbered. The original of the approved purchase order will be sent to the vendor by the Division of Accounting with enough descriptive information to justify use of the object code. If the purchase order is disapproved, it will be returned to the originator with an explanation.

Any contracts signed prior to Division of Accounting's approval of the applicable purchase order must contain a clause to the effect that the contract is subject to the vendor's receipt of an approved purchase order, and that the State will not be liable for any goods or services provided prior to an approved purchase order.

b. Additional Approvals

In addition to the signed agency approval, additional approvals shall be required in the following cases for those purchase orders that are over the \$2,500:

(1) Insurance

The State Insurance Coverage Office has the centralized responsibility for the operation of the State Insurance Coverage Program. No other agency shall be authorized to place any insurance; all insurance shall be placed by and through the Coverage Office. **(18 Del. C. §6508 & §6509)** All purchase orders and direct claim invoices must be sent to the Coverage Office for approval. The Coverage Office will forward the approved purchase orders and direct claim invoices to the Division of Accounting for processing. It is not necessary to have the approval from the Coverage Office for purchases by Higher Education and Public Education as long as they do not expend General Fund monies.

(2) Communications

All state government communications purchases must be in accordance with policies and procedures established by the Division of Communications. **(17 Del. C. §1602)** Requests for purchases for all two-way equipment (voice and radio) must be made to the Division Manager, Division of State Communications.

(3) Computer, Word Processing and Telecommunications Equipment

All computer and word processing equipment need the prior approval of the Office of Planning and Data Administration (OPDA). Telecommunications equipment needs the prior approval of the Office of Telecommunications Management. This does not apply to computer supplies and maintenance agreements. The following DFMS object codes require the approval of OPDA:

Data Processing/Word Services:

5071 5073 5075  
5072 5074 5076

Capital Lease and Rentals:

5440	5441	5443	5444
5445	5446	5447	5448
5449	5450	5451	5452

Capital Outlay:

8800	8802	8803	8804
8805	8806	8807	8808
8809	8810	8811	8812
8813	8814	8815	8816
8817	8818	8819	8820
8821	8822	8823	8824
8900			

Telecommunications

5111	5112	5113	5114
5115	5116	5117	5118
5119	5120	5121	5122
5123	5124	5125	5126
5127	5128	5129	7411
7412			

The appropriation for a computer enhancement for any agency is subject to and administered by OPDA. Agencies which have a one-time appropriation of funds for computer enhancements should submit their specific requests to OPDA. Upon approval by OPDA, the agency should prepare a transfer document to transfer funds from account 10-02-01-01-85 to their appropriate agency line and should attach a copy of the approval letter. Such transfer requests will not be honored without a copy of the OPDA approval.

(4) Microfilm Services

Excepting the authorized General Fund appropriations for each agency (which is credited to the Central Microfilming Services Unit), no microfilm project or program may be undertaken or maintained without the prior written approval of the Bureau of Archives and Records Management, Division of Historical and Cultural Affairs. Any program or function of any agency which is funded by federal, other special or local government funds requiring microfilm services must purchase them by or through the Central Microfilm Service Unit. **(29 Del. C. §530)**

(5) Architectural, Structural, Electrical and Mechanical Plans

All state departments and agencies, and Delaware State University and Delaware Technical and Community College shall submit to the Department of Administrative Services all proposed contracts for architectural services and all architectural, structural, electrical and mechanical plans,



specifications and cost estimates. The Department of Administrative Services shall coordinate its review with the Budget Office and the Delaware Development Office. (29 Del. C. §7419 and 29 Del. C. §8803 [15])

The Department of Administrative Services shall be responsible for reviewing and approving such plans, specifications and cost estimates prior to bid advertisement, and no such contracts nor contracts for construction and reconstruction of such projects (except highway construction and reconstruction contracts and school district minor capital improvements contracts) shall be executed without the prior approval of the Department of Administrative Services. All such contracts shall be let on the condition, that the contractor comply with the State's equal opportunity laws. (29 Del. C. §7419)

(6) Capital Improvement Fund

Purchase orders, change orders and direct claim invoices coded to bond accounts (other than Highway and School - Minor Capital) must be sent to the Office of the Budget for approval prior to processing by the Division of Accounting. Material purchases or work paid from General Fund appropriations do not require the approval of the Office the Budget, except as noted above. School-Minor Cap needs the approval of DPI - School Plant Maintenance.

(7) Vehicles Purchased for State Use

All cars and station wagons purchased for state use must be purchased by contracts administered by the Fleet Management Administrator. All other vehicles purchased for state use must be purchased from bid lists approved by the Division of Purchasing. (29 Del. C. §6902 [b]) Fleet vehicles may not be transferred from one department/school district to another department/school district without approval of the Office of Fleet Management. (29 Del. C. §6902 (j))

(8) Contractual Services with Individuals

There are legal distinctions and ramifications between retaining a consultant and hiring an employee. For example, the state will incur liabilities for withholding and/or paying income taxes, FICA, workers compensation, unemployment compensation, and pension for employees. In order not to create a state liability for these employment costs, attention needs to be focused on the distinction between a "consultant" and an "employee". Under the common-law control test, an employee is subject to control by the person for whom he renders services. Control of the workplace is met when the employer determines when the employee works, where he works, and how he works. Control need not be exercised for an employer/employee relationship to exist - the right to exercise such control is sufficient. Exhibit A is a summary of the guidelines the Division of Accounting will use for determining whether an employer/employee relationship exists.

If total payments are expected to reach or exceed \$2,500, in a fiscal year, a Purchase Order (PO) must be processed. Agencies retaining an individual as consultant must submit to Accounting the PO and/or the proposed contract signed by the authorized signatory. The PO

should contain a contract number, the business license number, a brief statement of the services to be provided, and the following statement:

"The rights and obligations of each party to this agreement shall not be effective and no party shall be bound by the terms of this agreement unless and until the Division of Accounting has approved the provisions of the contract and a valid executed purchase order has been approved by the Secretary of Finance."

Contracts (see example, Exhibit B) must provide the following information:

1. Consultant's Name
2. Employer Identification Number or Social Security Number
3. Delaware License Number
4. Detailed Scope of Services to be Performed
5. Consultant's Signature
6. Agency Certification and approval
7. Department of Finance (Accounting) Approval

All proposed contracts (payment greater than \$999 per year) with individuals must be submitted to Accounting at least 10 work days prior to the date on which the services are scheduled to begin. This lead time will allow for the review and approval of the contract, and for processing the review and approval of the contract, and for processing the purchase order which is the official commitment of the state. This procedure does not apply to individuals for one-time contracts in which the amount does not exceed \$1,000 per year or honorariums which amount to less than 5 days per year.

Contracts with individuals must also include a statement indicating that the independent contractor is not a state employee or employed by the University of Delaware. In accordance with **29 Del. C., §5805(c)**, and Attorney General's Opinion #79-F006, POs and/or PVs to employees (or a private enterprise in which the employee has a legal or equitable ownership of more than 10%) of another State agency for services over \$2,000, must indicate public notice and competitive bidding documentation.

Delaware business licenses may be obtained through the Division of Revenue in each of the three counties. The license number must be typed or written on the PO before submission of the PO to this Division. In cases where an individual has submitted an application but not received a business license, a copy of the application must be attached.

Consultants are not to proceed until the proposed contract has been approved and the PO processed by Accounting. The employee, authorizing services prior to the issuance of an approved PO by this Division, will be liable for any payment due.

Although current policy excludes federal funds and school district local funds from the encumbrance requirements for purchases in excess of \$2,500, any contract for services with individuals require the additional approval of the Division of Accounting.

(9) Prohibition on Employment of Attorneys

In accordance with **29 Del. C. §2507**, no agency shall employ any person to act as an attorney to such agency except as otherwise set forth in this chapter. However, such special counsel may be employed by such agency with the approval of the Attorney General and the Governor upon such terms and conditions as the Attorney General and the Governor may prescribe. The special counsel so appointed shall have such powers, duties and responsibilities as designated by the Attorney General in addition to those powers prescribed in subdivision (3) of §2504 of this title. Expenses of such employment shall be paid by the State Treasurer out of general funds not otherwise appropriated upon the approval of the Attorney General and the Governor.

**Exhibit A**  
**The 20-Factor Test**

To determine if the employer has the right to control, the IRS used the following 20-factor test. Workers are generally employees if they:

1. Must comply with the employer's instructions about when, where and how to work.
2. Receive training from or at the direction of the employer. This may include having to work along with an experienced employee or having to attend meetings.
3. Provide services that are integrated into the business. That is, the success or continuation of the employer's business depends significantly on the performance of certain services which the worker provides.
4. Perform the work personally.
5. Hire, supervise and pay assistants for the employer.
6. Have a continuing relationship with the employer. This may exist where work is performed at frequently recurring, although irregular, intervals.
7. Must follow set hours of work.
8. Work full-time for the employer.
9. Do their work in a sequence set by the employer.
10. Must do their work in a sequence set by the employer.
11. Must submit regular oral or written reports to the employer.
12. Receive payments of regular amounts at set intervals.
13. Receive payments for business and/or traveling expenses.
14. Rely on the employer to furnish tools and materials.
15. Lack a significant investment in facilities used to perform the service.
16. Cannot make a profit or suffer a loss from their services.
17. Work for one employer at a time.
18. Do not offer their services to the general public.
19. Can be fired by the employer.
20. May quit work at any time without liability.

**Exhibit B**  
**CONTRACT FOR CONSULTANT SERVICES**

The \_\_\_\_\_ and \_\_\_\_\_  
(Agency) (Consultant)  
mutually agree to the following conditions for retaining an individual in a consulting capacity.

1. Consultant:  
Name \_\_\_\_\_  
Address \_\_\_\_\_
2. Social Security or Federal Identification Number \_\_\_\_\_
3. Present Position: \_\_\_\_\_
4. Delaware merit system exemption? Yes \_\_\_\_\_ No \_\_\_\_\_
5. Compensation (Explain how computed): \_\_\_\_\_
6. Scope of services to be performed: \_\_\_\_\_

The \_\_\_\_\_ hereby certifies that:  
(Agency)

1. The work cannot be performed effectively and more appropriately by regular employees of the Department.
2. Consultants will perform purely advisory work, rather than operational functions.
3. The appointee clearly has the high level of expertise required to serve as a consultant.
4. The compensation is appropriate and justifiable in terms of the qualifications and duties of the appointee.
5. The appointee is not employed beyond the time limits prescribed by law, and other applicable rules and regulations. **(29 Del. C., §5904, 9)**

Date: \_\_\_\_\_ By: \_\_\_\_\_  
(Agency)  
Date: \_\_\_\_\_ By: \_\_\_\_\_  
(Agency)  
Date: \_\_\_\_\_ By: \_\_\_\_\_  
(Consultant)

Delaware Business License# \_\_\_\_\_ Approved By: \_\_\_\_\_  
\_\_\_\_\_  
(Division of Accounting)

c. Approval of a Blank Purchase Order

It is unlawful for any officer to sign any requisition or purchase order which is blank. (29 Del. C. §6512 (d))

d. Electronic Approvals

DFMS requires three levels of electronic approval for purchase orders, purchase order modifications, over \$2,500. The documents will not be processed without all three approvals entered into DFMS. Levels 1 and 2 are within the agency. The agency is to notify Division of Accounting in writing detailing those with electronic approval authority. An individual in the agency may have both level 1 and level 2 approval authority. The Division of Accounting, after reviewing and verifying the hardcopy documentation will enter the Level 3 approval. The Division of Accounting review/approval does not apply to purchase orders, payment vouchers and encumbrance adjustments of \$2,500 or less since those documents are retained within the agency. In addition, the Division of Accounting review/approval does not apply to intergovernmental vouchers and encumbrance corrections regardless of the amount since these documents are also retained within the agency.

The required additional approvals are on the hardcopy documentation only. DFMS is currently unable to record these additional approvals.

00-02 Though the electronic approvals are required to process transactions, the approval[s]<sup>2</sup> on the hardcopy documentation (handwritten or facsimile) are the authorizing signature[s] for the transaction.

## C. COMPETITIVE BIDDING

For purchases covered by the Bid Laws specific procedures and documentation are required by law and the Division of Accounting for pre-audit purposes. These requirements are as follows:

### 1. Centralized Purchasing

The Secretary of the Department of Administrative Services may negotiate with various manufacturers and distributors and award contracts which will enable State agencies, local governments, schools and school districts to purchase material at prices approved by the General Services Administration of the United States.

Every agency within the Executive Department shall procure all the following through the state-wide contract awarded by the Division of Purchasing, Department of Administrative Services. (29 Del. C. §6903(k))

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<sup>2</sup> 1/11/2000 – Added brackets.

- fuel oil;
- diesel oil;
- gasoline;
- automobiles;
- automotive supplies;
- office furniture;
- office supplies and stationery; and
- other commodities as determined by the Secretary of Administrative Services with the consent of the Governor.

## **2. Public Works Contracts**

All material required by an agency shall be purchased, except where noted below, and all work of a non-professional nature not performed by employees of the agency, except where noted below, shall be performed under contract after competitive bidding. The policy for such purchases is as follows:

### **a. Advertising**

If the probable cost of the material and/or work is estimated to exceed \$10,000, the purchase shall be made only after public advertising and the receipt of sealed bids. **(29 Del. C. §6903 (a), §6904 and §6907)** The purchase orders must have a bid tabulation and proof of public advertisement (copy of ad or newspaper's bill). If low bid was not accepted, a specific reason must be submitted. **(29 Del. C. §6907)**

### **b. Bond**

If the probable cost of any public works contract is estimated to exceed \$10,000 all bids shall be accompanied by a deposit of a good and sufficient bond to the State. **(29 Del. C. §6906 (a))** If material is purchased or services obtained in the open market pursuant to §6903 subsections (c) and (d), the agency, or its representative, in accordance with the agency's regulations, may require bids to be accompanied by a deposit of a good and sufficient bond to the State. **(29 Del. C. §6906 (b))**

Upon execution of a formal contract and bond, the security is to be returned to the successful bidder. The security of the unsuccessful bidders is to be returned immediately upon award of the contract or rejection of all bids, but in no event later than thirty days after the opening of bids. **(29 Del. C. §6906 (c))**

Simultaneous with the execution of a formal contract, the bidder shall execute a good and sufficient bond to the State for the benefit of the agency in a sum equal to 100% of the contract price. The agency may reduce or waive such bond if so stated in the bid specifications. **(29 Del. C. §6909)**

c. Retainage

Any agency of the State is empowered, under any public works contract executed by it, to retain a percentage of the monies to be paid to the contractor during the performance of the contract. The percentage at any one time may not exceed 5% of the monies due to the contractor at that time. The rate or amount of retainage may be reduced at any time by the agency. **(29 Del. C. §6919)**

d. Exceptions to Bid Laws

Materials may be purchased and work contracted to be performed without competitive bidding in the following instances:

- (1) If the probable cost of the purchase or contract does not exceed \$5,000. **(29 Del. C. §6903 (a))**  
However, as a good business practice, every effort should be made to take advantage of the bid prices through the Division of Purchasing;

- (2) If the probable cost of the material and/or work is estimated to exceed \$5,000 but not more than \$10,000, the purchase may be made in the open market provided the agency solicits written competitive quotations from three<sup>3</sup> sources or all available sources, whichever is the lesser. The quotations are to be opened publicly at the time and place stated in the solicitation and the award shall be made. **(29 Del. C. § 6903 (b))**

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Any person who subdivides or fragmentizes any contract, the probable cost of which would require competitive bidding as directed by the above subsections (1) and (2), into 2 or more contracts with the intent to avoid compliance with these subsections shall be fined as directed by **29 Del. C. §6903 (g).**

- (3) Whenever the Governor declares an unusual emergency exists due to conditions which could not reasonably be foreseen or guarded against and which in the opinion of the chief administrative officer of the agency requires immediate action for the protection of the public health, safety or property. **(29 Del. C. §6903 (a));**
- (4) Where, because of patent or licensed franchise or need to make equipment compatible, the material or work can only be obtained from one source. This does not apply to any public works contract, nor may an agency specify material by brand or trade name only, thereby excluding equivalent material available from other sources for the purpose of avoiding competitive bidding. **(29 Del. C. §6903 (a))** An explanation justifying the award of a "sole source" contract or agreement must accompany the purchase order form;
- (5) Where, because of changed situations, unforeseen conditions, strikes and acts of God, change orders or supplemental agreements or extra work determined to be necessary and requested by the agency, and not specified in the agency's solicitation or advertisement for bids and in the

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<sup>3</sup> 1/11/2000 – Changed from five sources to three sources.



awarded contract, the awarding agency may issue a change order or supplemental work agreements on a public works contract, which shall not:

- Be subject to competitive bidding requirements; or
- Invalidate the contract, provided the change is within the scope of the contract as set forth in the standard specifications, special provisions or similar publication of the agency. **(29 Del. C. §6903 (a));**

- (6) Where the purchased material will be used by the Sheltered Workshop Program of the Division for the Visually Impaired as raw material for goods which the Program manufactures for resale, or the Business Enterprise Program of the Division for the Visually Impaired as supplies to operate the vending stands in the Program **(29 Del. C. §6903 (a));**
- (7) If the purchased material is computer hardware or software, the primary purpose of which is to process information in the form of data, words, images, graphics or voice. The purchase shall not be subject to the competitive bidding requirements detailed in this section, but the conditions, as described in this manual shall apply **(29 Del. C. §6903 (a));**
- (8) Where the purchased material or work is necessary to enable the Department of Elections to conduct a primary, general or special election **(29 Del. C. §6903 (a));**
- (9) These provisions do not apply to any purchase of material from the federal government. **(29 Del. C. §6915);**
- (10) These general provisions do not apply to contracts for the transportation of school children. All proposed contracts for transportation of school children are to be submitted to the State Board of Education by the Division of Transportation for their approval. Approval is by majority vote of the appointed members of the State Board of Education. Failure to obtain a majority vote shall cause the rejection of the contract. **(29 Del. C. §6916)**
- (11) These general provisions do not apply to the purchase of library books by school librarians or by the Division of Libraries of the Department of Community Affairs and Economic Development. **(29 Del. C. §6918)**
- (12) Rental, Lease and Purchase of Automobiles for State Use:
- (a) All cars, heavy duty (taxi packages) cars and station wagons purchased for state use must be purchased by contracts administered by the Fleet Management Administrator. All other vehicles must be purchased from bid lists approved by the Division of Purchasing. Bid specifications are developed by the Secretary of Administrative Services with the concurrence of the Budget Director and Controller-General. The purchase of special purpose vehicles in excess of the restrictions established by the bid specifications requires the approval of the Budget Director and Controller-General. **(29 Del. C. §6902 (a), (c) and (h))** The special purpose vehicles of the Department of Public Safety, Division of State Police are exempt from these requirements. **(29 Del. C. §6902 (d))**

- (b) No agency shall purchase any passenger motor vehicle to be used for state purposes unless, on a 1 for 1 basis, a vehicle has been turned over to the Division of Purchasing for auction, or identified to be sold at auction or as salvage. This requirement may be waived by the Secretary of Administrative Services, Budget Director and Controller General. **(29 Del. C. §6902 (i))** Fleet vehicles may not be transferred from one department/school district to another department/school district without the approval of the Office of Fleet Management.
- (c) Lease purchase agreements for passenger motor vehicles are prohibited. **(29 Del. C. §6902)**
- (d) Lease-rentals, except for the Governor's car and cars rented while on out-of-state business, are prohibited. Upon written request, the Budget Director, with the concurrence of the Controller-General and Director of Finance, may grant exemptions to the lease-rental restriction. **(29 Del. C. §6902 (e))**

e. Used Equipment

An agency may purchase used equipment or buildings by negotiations rather than by competitive bidding provided it is demonstrated to the satisfaction of the Department of Administrative Services or the purchasing supervisor of any county that the negotiated price is reasonable for the intended use. **(29 Del. C. §6903 (h))** The Department of Administrative Services has established the following procedure:

- Purchases of used equipment costing less than \$2,500 can be approved by the Cabinet Secretary or Agency Head concerned. All such actions will be reported monthly to the Division of Purchasing indicating a detailed description of item purchased, cost, useful life, purpose for which the item was acquired, and the name, address and telephone number of the seller.
- Purchases of used equipment costing \$2,500 or more but less than \$10,000 must be requested by letter to the Director, Division of Purchasing. The letter will include a detailed description of the item purchased, cost, useful life and purpose for which the item was acquired and the name, address and telephone number of the seller.

All items costing \$10,000 or more will be presented to the Department of Administrative Services for approval.

This procedure does not relieve the agency from obtaining other required approvals as described in this Chapter.

f. Adjustments and Cancellations

All adjustments to encumbrances, to increase or decrease, will be initiated by the agencies on a purchase order modification form or an encumbrance adjustment form and submitted to the Director of Accounting. The purchase order modification is to be used for all adjustments to encumbrances,

both regular and open-order. The same approvals required to approve the original encumbrance are necessary to adjust a purchase order.

If a specific purchase order is cancelled, the agency will notify the vendor in writing.

### **3. Professional Services - Public Works**

#### **a. Policy and Process**

##### **(1) Advertising**

Professional service contracts are to be publicly announced not less than once a week for a two consecutive week period in a statewide news publication. **(29 Del. C. §6931)**

##### **(2) Evaluation and Negotiation**

For a proposed project, the agency shall evaluate current qualifications and performance data and after discussions with the firms regarding the proposed project, their qualifications, approach to the project and ability to furnish the required services, the agency shall rank the qualified firms in order of preference based on criteria established in accordance with subsection (c) of **29 Del. C. §6931. (29 Del. C. §6932)**

The agency will negotiate for the professional services with the firm ranked first on the preference list. Should the agency be unable to negotiate a satisfactory contract with the firm ranked first on the preference list, at a price deemed fair and reasonable by the agency, negotiations with that firm shall be terminated. The agency shall then undertake negotiations with the second ranked firm. Failing accord with the second firm, negotiations shall be terminated and the agency will negotiate with the remaining firms. After successful negotiations have been completed, the agency will prepare a public notice within ten days after awarding the contract stating the firm selected. **(29 Del. C. §6932)**

##### **(3) Contingent Fees**

Each contract for professional services will contain a prohibition against contingent fees. The agency shall have the right to terminate the agreement for the violation of this provision. **(29 Del. C. § 6933)** For all lump-sum multiple of direct personnel expense or cost-plus-a-fixed-fee professional services contracts, the firm receiving the award is required to execute a truth-in-negotiation certificate. **(29 Del. C. § 6932 (c))**

#### **b. Exceptions to the Bid Laws**

The following cases are exempted from the bid laws for professional services:

- (1) Professional service contracts of \$25,000 or less are exempt from the policy and procedures out-lined in Section D.3.a above. **(29 Del. C. §6937)**

Any person who subdivides or fragmentizes any contract, the probable cost of which would require competitive bidding as directed by the above subsections (1) and (2), into 2 or more contracts with the intent to avoid compliance with these subsections shall be fined as directed by **29 Del. C. §6903 (g)**;

- (2) Cases of public emergencies (so stated by the agency head); and
- (3) Where the agency determines professional services are necessary during the course of a previously awarded public works contract and the agency determines it would be in the best interest of the State by procuring additional, supplemental professional services for a firm already under contract for the project, provided such professional services are within the scope of the contract. **(29 Del. C. §6931)**

#### 4. Leases

##### a. Policy

A lease is defined as a contract by which one conveys property for a specified term for a specified rent. It may be a straight lease (i.e., rental) or a lease-purchase through which the asset is required.

A capital lease-purchase arrangement provides for the acquisition of fixed assets over a period of time during which the vendor of the leased property or a third party (as in the case in the State's Master Lease Program) provides the financing. By its nature, leasing represents the most expensive form of finance capital to the State. Equipment which has less than a ten year life should be paid for with operating (non-bond) funds. Equipment which has at least a ten-year life may be eligible for purchase with general obligation bond funding, and should be incorporated in the agency's capital budget funding request. Under no circumstances shall general obligation bond authorization be used for lease payments.

Leasing equipment may be appropriate when the equipment is expected to have a very short useful life and there is, therefore, no economic reason to acquire it (as in the case of computers). At times it may be cheaper in the aggregate to lease certain equipment, such as, copiers, if service contracts and supplies are included at a discount rate. NOTE: All leases must carry tax-exempt financing rates.

##### b. Procedure

The Department of Administrative Services, Division of Purchasing maintains a Master Municipal Lease Purchase Program which offers very economic lease rates and terms. The Master Lease must be used unless an agency can demonstrate a rationale for using an alternative vendor. Such alternative vendor must be approved by the Division of Purchasing prior to contracting to lease. Current rates can be obtained by contacting the Division of Purchasing.

Agencies not subject to central purchasing procurement statutes as excluded by Title 29, Chapter 6903 (Transportation Authority, Transportation Trust Fund, public school districts, Legislative Branch

and the Board of Pension Trustees) must conduct an analysis of available financing alternatives from several potential vendors and select the lowest financing cost vendor. Cooperation from these agencies is strongly urged due to the beneficial effects of attaining the cheapest financing on the entire State entity.

The lessee agency is responsible to ensure that all proper documentation is prepared, including Federal form 8038. The Secretary of Finance is the only authorized signatory. Each agency must forward the Federal form 8038, with the appropriate background information, to the Office of the Secretary of Finance (Attention: Director of Bond Finance). The form will be reviewed, signed and returned to the lessee agency for filing.

For aggregate amounts greater than \$3 million, the Director of Bond Finance in the Office of the Secretary of Finance shall be consulted to determine whether a more economic manner to finance the proposed equipment should be considered.

c. Contracts

Lease contracts are not covered by the bidding laws of the State (**29 Del. C. Ch. 69**) since these laws refer only to purchases. However, the use of the word "lease" or "rent" does not in and of itself make a contract a lease arrangement. Contracts, which are in substance purchases, are subject to the bidding laws. Factors such as the intent of the parties and substance of the agreement need to be examined to determine if a contract is a strict lease or in substance a purchase governed by the bidding laws. Factors to be considered in determining if a contract is a lease-purchase are:

- Substantial Equivalence: If the State is bound to pay rent substantially equal, in total, to the value of the goods being leased, and the State's only sensible course of action at the end of the lease is to become owner of the goods, the contract is considered a purchase;
- Option to Purchase: If the lease provides that at the end of the lease period, the State has an option to purchase at a cost which is disproportionately small in relation to the rental already paid, this is an indication that the contract is, in substance, a purchase;
- Obligation to Repair and Maintain: A contract entered into by the State to retain possession of goods during the lease period and to repair and maintain the goods, indicates the contract is a purchase; and
- Risk of Loss: The acceptance by the State of the risk of loss during the lease period requiring the State to carry insurance on such risk can indicate the contract is a purchase.

It should be noted that the last two factors, i.e. obligation to repair and maintain and risk of loss, are only factors to be considered in determining if a contract is for a purchase. They are not conclusive tests. Also, the above listed factors are not all inclusive. In addition, lease contracts entered with an intent to convert to a lease-purchase, should be bid.

#### **D. EMERGENCY PURCHASES**

It is recognized that departments may face emergency situations in which they must immediately acquire goods or services that are beyond the limit of a petty cash fund and require a purchase order. Such a situation may make it impossible to send the purchase order to the Division of Accounting for signature prior to delivery to the vendor.

To cover these situations, the signature space provided for the Secretary of Finance is to be marked EMERGENCY; a brief explanation of the emergency circumstances should be written on the purchase order.

The original purchase order will be sent directly to the vendor, and at the same time the first copy will be sent to the Division of Accounting for the purpose of obligating funds. If the Division of Accounting does not receive a copy of the purchase order with which to obligate funds, an invoice from the vendor will be delayed in processing.

All emergency purchase orders will be periodically reviewed by the Division of Accounting to determine the kinds of emergencies encountered, and all agencies will be expected to limit the use of this procedure to bonafide emergency situations and to comply with procurement provisions as set forth in

00-08 **Title 29, Chapter 69, Section 6907<sup>4</sup> Delaware Code.**

#### **E. OPEN-ORDER PURCHASE ORDERS**

All General and Special Funds purchase orders must be issued to specific vendors unless exceptions are granted. Under extraordinary circumstances, agencies may request the use of non-specific vendor open-order purchase orders. These requests must be directed to the Budget Director and must receive the concurrent approval of the Budget Director and the Secretary of Finance.

#### **F. DOCUMENTATION**

Each agency and school must retain in their files all pertinent documents and correspondence relating to the bid process in order that they may be available at all times for audit or review by a State official. Such documents are not to be kept at an architect's office, etc. If the vendor submitting the low bid is not awarded the contract, the reasons for rejecting the low bid must be documented. **(29 Del. C. §6907)**

For purchases supported by contracts the following procedure is required:

In order to establish a proper audit trail, each agency shall assign a numerical control number to all contracts. The numbering process shall be in sequential order. Example: 88-1, 88-2, etc. (88 refers to the fiscal year.) The agency shall be responsible for maintaining control on a fiscal year basis.

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<sup>4</sup> May 4, 2000 - Changed code reference from Section 6903 to Section 6907.



## G. ADVANCES, PETTY CASH ADVANCES AND CREDIT CARDS

### 1. Advances and Petty Cash Advances

#### a. Permissible Advances

An agency which is authorized to expend any monies on behalf of the State may have money advanced to it from the State Treasury to carry out provisions of the law requiring weekly payment of wages, to secure cash discounts whenever possible and to pay necessary expenses incurred by any officials or employees when obliged to travel in the discharge of their duties. (29 Del. C. §6520 (a))

#### b. Petty Cash Limits

For petty cash and other advances, advances are not to exceed \$1,000 at any one time for each agency's departments or divisions for which a specific appropriation has been set forth in the Budget Appropriation Act, or a sum not exceeding \$2,000 for the agency as a whole, whichever is the greater amount. (29 Del. C. §6520 (a))

No petty cash checks are to be drawn over \$500.

All General Fund and Appropriated Special Fund petty cash checking accounts can remain open at the end of each fiscal year. However, agencies may chose to close these accounts at the end of each fiscal year.

#### c. Application for Advances

The head of the agency desiring an advance must certify in duplicate to the Secretary of Finance what amount is needed, that it is needed for immediate use and, as specifically as possible, the purpose for which the expenditure is required. (29 Del. C. §6520 (b)) Within 30 days after receipt of the advance a detailed statement of the amounts expended shall be made to the Secretary of Finance and State Treasurer. (29 Del. C. §6520 (c))

### 2. Credit Cards

#### a. Limitations on Use

No agency or school district shall use credit cards registered in the name of the agency, school district or State, which could create an obligation of the State, except oil company, telephone company and Diners Club credit cards may be used, provided such use has received annual prior approval by the Secretary of Finance. (29 Del. C. §6505 (c))

#### b. Approval

An approval for a credit card is good for only one fiscal year. Agencies must renew their credit card approvals at the start of each fiscal year in order to continue their use.

## **H. CARRY-OVER PURCHASE ORDERS**

### **1. General Fund Reversions**

Funds should be encumbered for year-end by specific vendor using the best estimates available. For those encumbrances that are carried over to the new fiscal year under Type 04 - Encumbered Funds, excess amounts encumbered for one vendor will be reverted. Purchase orders cannot be modified to pay another vendor. Delaware Financial Management System (DFMS) will not allow a vendor number modification. Either a request for a transfer from the Prior Year Obligations Fund must be made (see section H.3 below) or a new purchase order must be issued to the new vendor (this will be encumbered against the new fiscal year appropriation). Appropriations designated by the General Assembly as continuing are exceptions to this policy.

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All outstanding General Fund carryover encumbrances (Type 04 purchase orders) will be reverted on June 30, the last day of the fiscal year. (29 Del. C. §6521)

### **2. Special Fund Purchase Orders**

Special Fund Purchase Orders, type 20, 40 and 50, will be carried routinely in DFMS for up to two (2) years. At the end of the second fiscal year, the system will edit for any activity during the preceding 12 months. If there has been activity, such as a modification or payment, the purchase order will continue as is. If there has been no activity, the purchase order open amount will be decreased to \$0.00 and the funds will become unencumbered available funds. Special Fund Purchase Orders that are type 30 will always be decreased to \$0.00 after two years whether or not there is any activity.

### **3. Contingency Fund**

In the event there is a year-end liability for a vendor that was not anticipated and therefore a specific purchase order was not prepared, a request may be made to the Budget Director for a transfer from the Prior Year Obligations Fund.

## **I. NEXT FISCAL YEAR PURCHASE ORDERS - SCHOOL DISTRICTS**

As stated above, no agreement or contract shall be entered into, nor expense incurred by any agency which will result in an obligation in excess of the appropriation made to the agency. (29 Del. C. §6519) Since the appropriation for the next fiscal year is not effective until July 1, this prohibits the issuance of purchase orders for the next fiscal year until July 1. An exception to this policy is made for school districts which may obligate on or after March 1, school supplies for the following school year with the provision that the obligation shall not be due and payable until after July 1 of the next fiscal year. (29 Del. C. §6519) Purchase orders can only be coded to appropriation 0165. These purchase orders that are \$2,500.01 or more must be stamped "Next Fiscal Year," and sent to the Division of Accounting batched separately from current year purchase orders. Those purchase orders that are \$2,500.00 or less stay at the school for processing.



## J. SALE OF STATE-OWNED MATERIALS AND TRADE-INS

All equipment, supplies and materials, including vehicles, purchased in whole or in part with state-appropriated funds are assets of the State and not of the individual agency. When equipment, supplies or materials are determined by the agency to be in excess of its needs, it shall be reported by memorandum to the Department of Administrative Services for reallocation to another agency for disposal. If the excess material is to be sold, the sale will be conducted by the Department of Administrative Services and the proceeds deposited with the State Treasurer in the General Fund or an Appropriated Special Fund as appropriate. (29 Del. C. §7002 (a)-(d))

In the event an agency determines to replace material in kind (not excess material), the agency may "trade-in" such material on similar material with the exceptions of vehicles per sub-section (i) of 29 Del. C. §6902, or it may sell such material and credit the receipt in accordance with sub-section (c) of 29 Del. C. §6102. (29 Del. C. §7002 (e)) The receipt, if occurring the same fiscal year as the purchase, is not shown as revenue but as a decrease in expenditures charged against an appropriation. However, if the sale precedes the purchase, then the proceeds must be coded as revenue to either the General Fund or the holding account of an Appropriated Special Fund. The cash receipts report (CR) must clearly show that this receipt is intended as a reimbursement of a pending purchase. Whenever the purchase of the replacement material is made, the revenue can be recoded as an expenditure reduction. Other Special Funds may show the sale proceeds as revenue since these funds do not need legislative action to increase their appropriations.

No reimbursement shall be allowed on a purchase made in a previous fiscal year. The receipt is treated as a revenue item.

The determination if it is an in-kind replacement shall rest with the Department of Finance. Examples of acceptable reimbursements are: one vehicle for a similar vehicle; a manual typewriter on an electric typewriter; an adding machine on a calculator. Examples of non-acceptable reimbursements are: a passenger motor vehicle on a non-passenger motor vehicle; a typewriter on a calculator, mimeograph, photocopier, tape recorder or dictating equipment.

Whether the equipment, supplies or materials are "traded-in" or sold, an equipment reimbursement form must be filed with, and approved by, the Department of Finance on or before the date of the purchase or the sale, whichever is the earlier.

If the material sold has a value in excess of \$100, it shall be sold by public auction or competitive bids. The agency may sell or transfer such material within the State in accordance with 29 Del. C. §8807 at a mutually agreed value. (29 Del. C. §7002 (e))

**K. DIRECT CLAIMS**

Types of transactions listed below do not require a formal encumbrance of funds as a prerequisite to processing payment documents:

1. Purchases not exceeding \$2,500
2. Personal Reimbursement and Travel
3. Travel Advance
4. Registration Fee Pertaining to Travel
5. Petty Cash Fund
6. Petty Cash Replenishments
7. Salaries
8. Social Security, Pensions, Health Insurance, Workmen's Compensation - State's (employer's) share, group blood bank and any other future employee's group benefit plan that may be approved by the General Assembly (not local agency plans)
9. Grants-in-Aid
10. Revenue Refunds
11. Welfare and Assistance Grants
12. Debt Service
13. Agency Inter and Intra Reimbursement for Service and Supplies
14. Jury Duty Fees and Witness Fees
15. Budget Commission Contingency Fund Expenditures
16. Bond Sale Expenses
17. Expenses that are the obligation of the agency, however, the agency cannot directly control the timing and amount of the expenditures. Examples (not a complete listing) are:
  - Reimbursement to parents (Parents visit child placed in out-of-state facility)
  - Student Private Placement expenses including tuition and transportation
  - Private School Transportation
  - Reimbursement
  - Payment for applicant job interview expenses
  - Client Placement Expenses
18. All Federal Fund purchases (see Section C.1.a)
19. Payments to Institution Inmates and Patients
20. Funeral Directors
21. Freight

22. Books purchased for re-sale
23. Court Mandated Legal Settlements
24. Prior Years' Obligations Contingency Fund expenditures
25. Reimbursement of Carriers and Self-Insurers from the Industrial Accident Board Second Injury and Contingency Fund
26. Hospital and medical costs incurred under the Migrant Worker Program.
27. Late Payment Charges. **(29 Del. C. §6516 (d))**
28. School District payments out of Local Funds
29. Patient Trust Funds
30. Twenty-four hour commitments
31. Investigation Funds
32. Payments related to State Employees Retirement Fund Investments
33. Court Appointed Attorneys' Legal Fees
34. Blue Collar Dollar (DOL)
35. Home Health Agency Expenditure (DHSS)
36. Right-of-Way Expenditures
37. Library Standards (DOS)
38. School Bus Contractors (Schools)
39. Monthly Tourism Convention payments (DOR)
40. DNREC Underground Storage Tank Amnesty Program
41. Bureau of Museums purchases at auction
42. Legal Contingency Fund
43. Foster Care Board and Adoption Assistance/Subsidy Payments
44. (ASF) Department of Administrative Services-Telephone Bill for State Agencies  
Note: Agencies are encouraged to encumber funds.
45. (ASF) Department of Administrative Services-Replenishment for Postage Meter

#### **L. PREPAID AND DEFERRED EXPENDITURES**

Expenditures for insurance and similar services extending over more than one fiscal year are recorded as an asset which is expended during the life of that asset.

**EXHIBIT VI-2**  
**Competitive Bidding Legal References**

Centralized Purchasing

Executive Order #8 - 3/8/77

**Public Works Contracts:**

Advertising	29 <u>Del. C.</u> §6907
Bond	29 <u>Del. C.</u> §6906 (a) & (b) 29 <u>Del. C.</u> §6903 (c) & (d)
Retainage	29 <u>Del. C.</u> §6919
Purchase Value Less Than \$ 5,000	29 <u>Del. C.</u> §6903 (a)
Purchase Value At Least \$5,000 But Less Than \$10,000	29 <u>Del. C.</u> §6903 (b)
Purchase Value At Least \$ 10,000	29 <u>Del. C.</u> §6903
Subdivision Of Contracts - When It is Illegal	29 <u>Del. C.</u> §6903 (g)
Emergency Declared By Governor	29 <u>Del. C.</u> §6903 (a)
Patents And Franchises	29 <u>Del. C.</u> §6903 (a)
Change Orders And Supplemental Agreements	29 <u>Del. C.</u> §6903 (a)
Sheltered Workshop Program	29 <u>Del. C.</u> §6903 (a)
Computer Hardware And Software	29 <u>Del. C.</u> §6903 (a)
Department Of Elections	29 <u>Del. C.</u> §6903 (a)
Purchase From The Federal Government	29 <u>Del. C.</u> §6915
Transportation Of School Children	29 <u>Del. C.</u> §6916
Purchase Of Library Books	29 <u>Del. C.</u> §6918
Rental And Purchase of Vehicles For State Use	29 <u>Del. C.</u> §6902
Used Equipment	29 <u>Del. C.</u> §6903 (h)

**Professional Services - Public Works:**

Advertising	29 <u>Del. C.</u> §6931
Evaluation And Negotiation	29 <u>Del. C.</u> §6932
Contingent Fees	29 <u>Del. C.</u> §6933
Truth-In-Negotiation Certificate	29 <u>Del. C.</u> §6932 (c)
Professional Services Contracts \$25,000 Or Less	29 <u>Del. C.</u> §6937
Change Orders And Supplemental Agreements	29 <u>Del. C.</u> §6931
Acceptance Of Low Bid	29 <u>Del. C.</u> §6907
Lease Contracts	N/A